

For Immediate Release

Media Contact: Matt Lauer, 202-683-3127

Mexican Consumer Electronics Industry Second Largest Supplier of Electronics to the U.S. Market

Increasing Investment and Innovation make Consumer Electronics One of the Fastest Growing Industries in Mexico

MEXICO CITY, October 6, 2011 – The following is being released today by Marca País – Imagen de México:

Mexico is quickly becoming a world leader in the consumer electronics industry. Currently, the country is the second largest supplier of electronic products to the U.S. market. The electronics industry, which focuses on the manufacturing of audio and video devices, telecommunications and computer equipment and its parts, is one of the fastest growing industrial sectors in Mexico regarding its employment generation and export potential. Celestica is a clear example of this positive growth. This Canadian electronics designer and manufacturer created 2,000 new jobs in Monterrey in July 2011.

Mexico has been responsible for exporting USD \$71.4 billion in consumer electronics and devices in 2010, an increase of 20 percent over the previous year. Data for the Mexican consumer electronics industry were already impressive in 2009, when the sector's exports added up to USD \$59.6 billion, representing 30 percent of non-petroleum exports. According to a recent *Negocios ProMéxico* magazine article, between 2003 and 2009, Mexican electronic industry exports registered an average annual growth of 17.1 percent. The latest data from the National Institute of Statistics and Geography (INEGI) informed that industrial activity in Mexico grew 4.1 percent from January to July 2011, in comparison to the same period in 2010. Industrial production in the country grew 0.51 percent this July, compared to the month of June 2011.

Currently, the consumer electronics industry is comprised of 730 manufacturing plants, 709 companies dedicated to the electronics industry and 197 companies focused on the production of electric appliances. Electronics manufacturing mainly takes place in the northern region of Mexico, especially in the states of Baja California, Chihuahua and Tamaulipas. Companies such as Flextronics, Jabil Circuit, Celestica and Sanmina SCI are attracting new investors, generating jobs, and the entire northern region is furthering the growth of the sector's production and supply chains.

Since 1970, companies producing items for computer and telephony equipment, processing units or laptop computers have been operating in Mexico. Today, Mexico is manufacturing electronic products that are in high demand around the world, including general home appliances, cell phones, computers, flat screen televisions and video games, among other devices. Significant progress in the general consumer electronics industry is being made, with the manufacturing of products used for brain scanning to 3D animation.

Elcotel, a firm with several locations in Mexico, is also fostering the modernization of the consumer electronics industry in Mexico. A strategic partner of Philips, it is among the top plasma screen TV manufacturers in the country. In 2010, Elcotel Monterrey was one of the top 10 companies with the highest amount of exports being dispatched from the state of Nuevo León. Flat screen TVs represent a market of 25 percent of Mexican electronic industry annual exports.

Additionally, Mexico is the third largest exporter of cell phones –where 65 smart phones are sold every minute in Latin America. Samsung, the leading Korean technology company known especially for its mobile technology, has taken advantage of this opportunity and currently holds 16.3 percent market share in Mexico. Samsung has been diversifying its assets; recently the company has won a USD \$409.3 million contract for a liquefied natural gas terminal in the seaport of Manzanillo, in Colima, which will be completed by December, 2011.

Mexico is the country with the lowest industry component manufacturing costs. This, along with the country's young talented population –114,000 engineering and technology graduates– entering the job market each year have spurred outstanding growth and development in the electric and electronic industries in Mexico.

Marca País - Imagen de México is an initiative to help promote a positive image of Mexico as a global business partner and an unrivaled tourist destination abroad.

####

This press release is being distributed by Qorvis Communications on behalf of Marca País - Imagen de México. Additional information is available at the Department of Justice in Washington, D.C.

NSU/CES/REC/DOJ/DOA
Unit

2011 OCT -6 PM 4:25